

# **FISCAL NOTE**

## **SB 1338 - HB 2060**

March 26, 2003

**SUMMARY OF BILL:** Eliminates the income limitation on property tax relief provided to taxpayers over 65 years of age that limits their tax liability to what it was at the time they turned 65 or the time they purchased the property if it was purchased after they turned 65. Specifies that this change places no obligation on local governments but instead the state must incur all costs associated with the change.

### **ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures - Exceeds \$100,000**

**Local Govt. Revenues - Net Impact - Not Significant**

Estimate assumes:

- to the extent a local government chooses to set the income limit at a level higher than \$12,000 for such property tax relief, it will experience a decrease in property tax revenues paid by newly eligible homeowners. This decrease is estimated to exceed \$100,000 as local governments will have the expectation of being reimbursed by the state.
- the state will experience an increase in expenditures and the local government will experience a corresponding increase in revenues from the state compensating the local government for property taxes lost under the provisions of the bill. These increases are estimated to exceed \$100,000.
- an increase in state expenditures to the Division of Property Assessments for the administrative expenses associated with the bill. This increase is estimated to be less than \$50,000.

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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